KRYS
Business MorphIT

Fixed Income System

Overview

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KRYS Fixed Income System Value Proposition

In addition to expanding your product offering, the KRYS Fixed Income System Value Proposition includes benefits which aim to reduce costs and risks improve earnings and profitability; and eliminate human error and reconciliation bottlenecks:

- Customer, Management and Regulatory reports, though important often requires lots of time and highly skilled/trained staff to produce. The KRY$ Fixed Income System produces/generates customer, management and regulatory reports within a few minutes. Hence the efforts of your highly skilled and valuable staff maybe re-aligned and re-assigned more towards cost reduction, improved earnings and profitability activities.

- Complex business processes including Interest Rate Sensitivity gap, Liquidity Risk Management and Funds under Management analysis require a guru of intelligence often entitled to one staff member. This leaves the company exposed when that staff is not available. The KRY$ Fixed Income System is capable of embedding and reproducing this guru of intelligence without the concerns for inherent human error; while reducing exposure and improving reliability.

- Garbage in, garbage out: Duplicating efforts to re-enter source documents in different systems is a sure means of spiraling data reconciliation nightmares. The KRY$ Fixed Income System is designed to facilitate integration with existing KRY$ modules (including Cashbook, Credit and General Ledger accounting) and other external information systems including the Central Bank Payment System (RTGS) and Pricing Services. This eliminates the reconciliation paradigm and promotes a single source of data entry followed by automated data transfer among participating information systems

The KRYS Fixed Income System Model diagram:

- The heart (kernel) of the system's architecture purports a platform of integrated components consisting of Investment, General Ledger, Cash book, Receivables and Payables.

- The kernel provides support for varying transaction including client agency and application form, cheques, receipts, certificates, contract notes, invoices, tax certificates, month-end reports and diary events/notes.

The KRY$ Fixed Income Module is an essential business tool used to effectively adopt, integrate and manage complex day-to-day transactions. The software provides decision-making support, which is required to ensure a competitive advantage in the global market.

The following is a list of some features and functions of the KRY$ Fixed Income module:

- Diary and Message Management
- Asset & Liability Linked Investment Tracking
- Automatic Investment Allocation or Matching
- Customer, Account & Address Maintenance
- Extensive On-line Query Facilities
- Automatic Activity Audit Trail
- Multi-Currency Transaction Options
- Automatic and On-line General Ledger Updates
- Automatic G/L & Investment Reversal
- Limits and Budgets controls
- Reconciliation – Bank vs. KRYS G/L
- G/L, Value, Transaction & Holiday Date Controls
- Cheques, Receipts, Certificates, Contract Printing
- Letters & Document Printing
- Detail & Summary Customer Statements
- Accruals, Receivables and Payables Reports
- Investment, Portfolio & Cost of Funds Reports
- Cash, Tax, General Ledger, Trial Balance Reports
- Customized Detail & Summary Reports
- Bond Pricing, Trading reports
- Lien Management & Reports
- Marketing Reports – Labels, Balance Listing & Client Listing
- Percentage Holding, Aged Allocation & Liquidity Management Reports
- Exception Reports – Rate, Maturity Listing, etc.
- Interest, Tax, Maturity, Amortization Calculations
- Tax Exemption Facilities
- Fees, Penalties, Rebate, Statutory Computations
- Stock Bonus, Splits, Dividends Computations
- Computations in terms of Percentage, Rate & Amount
- User, Menu, File, Record, Field Security
- Integrates with Microsoft Word, Excel and other applications
- Automated End of Day system Maintenance
- Calculator & Calendar assisted data entry
- Data Archiving Facility
- Un-attended End of Day process execution

Investments and Receipts

Maturities and Payments

Customer
Account
Address

Customer Application & Agency Contract

New investments and Rollovers

Receipts

Confirmation Deal Ticket

Approval

Receipt Listing for Lodgements

Online Queries, Views and Summaries

Certificates, Contracts, Invoices

Maturity: via Fin Calc or EOD Queue

Maturity Listing: Interest / Principal

Cheque Requisition

Approval

Cheque Payments

Tax Certificates

GENERAL LEDGER

EOD Queue

DAY END REPORTS
- Investment Trading
  (i.e. Interest, Tax, Maturity, Roll, Penalty, Liabilities)
- Cash Movement (Receipts, Payments, Transfers)
- Asset vs. Liability Investment Allocation
- Interest Accruals
- General Ledger Details

NEXT DAY REPORTS
- Maturity of Liabilities
  (Interest and/or Principal)
- Diary Activities –Standing Orders
- Expected Cheques/Payment Listing

MONTH END REPORTS
- Cost of Funds (Assets vs. Liabilities)
- Receivables, Payables
- Commissions, Fees
- Tax Payable
- Interest Accruals
- Investment Portfolio
- Customer Statements
- Trial Balance
- Bank Reconciliation

This document reflects KRYS workflow processes, tasks and activities configured within the organization. These configurations are expected to change as the organization evolves though its business lifecycle. The basic data flow of the KRYS system can be traced as starting from the Customer Profile and Trading Account through updating Transactions and the running of Reports.

Starting the Workflow with Investments and Receipts

Customer (Identity) Profile and Trading (Portfolio) Account

The process begins with a new customer (investor) contact with the organization. Here a Customer Profile and a Trading Account is setup on the system. The customer is assigned a Customer# and Trading Account# which are used to identify all related future transactions.

A custom designed 'Customer Application & Agency Contract' document /report may be generated and signed by the customer. This is opposed to doing the form manually then updating the information on the system. A scanned Picture of Customer Documents may be stored on the hard disk and link-references placed on the Customer Profile and Trading Account in order to allow easy access.

If the customer has an existing profile and account then update any changes to the profile or account otherwise skip to the next workflow process, task or activity.

New Investments and Rollovers

Transactions are updated on the system to reflect the customers' investment activities; each transaction entry is assigned a batch number. New Investment funds are updated to a new transaction batch/record or added to rollover (re-investment) of a matured investment.

Transaction batches are assumed to be valid on first entry prior to approval, as this reflects the honest intent of employees and customers. Transactions broadcast information across the system to allow other members along the workflow to plan ahead of execution. Transaction approvals are aimed at identifying and resolving exceptions to the normal procedures and policies of the organization prior to communication to external customers and other trading parties.

Receipts

This document (report) provides evidence of the payment received on maturing investments. Receipts can be printed in bulk, batch or single for specified customers and is generated with a unique document number for each record.

Confirmation Deal Ticket

This document (report) provides the investment/transaction intent of the business for manual approval by the investment and operations management. This forms part of the source document used to facilitate the system enabled transaction approval.

Approval of transactions

Transaction Approval allows management to review source documents and system configured policy breaches prior to confirming customer transactions and user actions. Customer sensitive documents are normally printed after Transaction Approval in order to reduce transaction risks and provide more accurate results to customers.

Receipt Listing for Lodgments

This Document Listing report is a list of all receipts issued for payments received within a specified period and is used to support or reconcile funds lodged to the bank account.

Certificates, Contracts, Invoices

This document (report) provides regulatory authorities evidence of ownership of an investment. Certificates, Contracts, Invoices can be printed in bulk, batch or single for specified customers and is generated with a unique document number for each record.

Continuing the Workflow with Maturities and Payments

Maturity: via Fin-Calc or EOD Queue

The Maturity process is used when the principal and/or interest is to be encashed (fully or partially), rollover (re-invested) or merged (transferred). Fin-Calc is normally used for early mature investment and while the EOD Queue is used for the maturity of investments based on pre-defined schedule dates.

Maturity Listing: Interest / Principal

This report is a list of all investments due for maturity on the user specified date. It is effective in allowing users to identify and track all maturing transaction amounts prior to the actual maturity dates.

Cheque Requisition

This document (report) precedes the Cheque and provides the payment requirements for transactions for manual approval by the accounting management. This forms part of the source document used to facilitate the system enabled transaction approval.

Cheque Payments

This document (report) provides payment to counter parties. Cheque can be printed in bulk, batch or single for specified customers and is generated with a unique document number for each record.

Tax Certificates

This document (report) provides regulatory authorities evidence of Tax Withheld from customers. Tax Certificates can be printed in bulk, batch or single for specified customers and is generated with a unique document number for each record.

Workflow Intermission, Consolidation and Business Day Closure

General Ledger

The General Ledger acts like a central data warehouse for all types of customer transactions. Several documents, reports and financial summarized views are generated from the General Ledger to meet customer, management and regulatory demands.

Online Queries, Views and Summaries

Several views are available from the system including views summarized by Date, Product Class, Customer Account and Transaction Types. Views can be generated on a time-variant basis retroactively to support prior period financial reports while users update new customer transaction.

EOD Queue

The EOD Queue provides a central facility for running pre-configured automated reporting and system processes. Most reports and end-of-day processes may be configured in the EOD Queue to be executed on demand, ad-hoc or based of scheduled periodic processes.

Day End Reports, Next Day Reports, Month End Reports

These reports may be custom designed and generated on a periodic basis to assess the past performance, manage current day-to-day activities and formulate the basis for strategies that ensures competitive advantages.

Client Statement

PRUDENT PORTFOLIO MANAGEMENT LTD.

14 Hope Boulevard. May Pen

Tel: (876) 100-1010; Fax: (876) 200-2010;   E-Mail: prudentinvest@cloud.com

John & Mary Doe
50 Cherry Sands Crescent
Kingston 6

Account #: DOE0016436

Report Currency: USD   Page 1

Current Investment as at: 24/Dec/2010

Issue Date	Currently invested	Interest Rate	Investment #	# of Days	Maturity Date	Maturity Interest	Withholding Tax	Maturity Value	Accrued Interest
21/Dec/2010	10,600.00	2.75%	COP0109200	82	21/Jun/2011	65.49	-16.37	10,649.12	2.40
02/Dec/2010	29,500.00	2.95%	COP0108000	365	02/Dec/2011	182.5	-45.56	29,636.69	52.45
06/Dec/2010	8,446.33	2.35%	COP0105500	365	06/Dec/2011	52.18	-13.05	8,485.46	9.79

Notice of any disagreement with any of the entries must be received by **PRUDENT PORTFOLIO MANAGEMENT LTD.**
within fifteen (15) days of statement date, otherwise the statement will be assumed correct as rendered.

PRUDENT PORTFOLIO MANAGEMENT LTD
14 Hope Boulevard. May Pen

CERTIFICATE OF PARTICIPATION

Client Information:
John & Mary Doe
50 Cherry Sands Crescent
Kingston 6
Account #: DOE0016436

Certificate No.: 001205
Investment No.: COP0109200
Currency: USD

This is to confirm that you have purchased from **PRUDENT PORTFOLIO MANAGEMENT LTD.** an interest in Government of Jamaica Security as detailed below, in keeping with the TERMS of agreement.

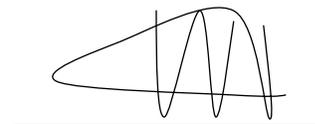From time to time **PRUDENT PORTFOLIO MANAGEMENT LTD** may act as principal in these transactions.

Transaction / Investment Amount	10,600.00
Interest Rate	2.75%
Maturity Date	21/Jun/2011
Gross Interest	65.49
Gross Maturity Vale	10,656.49
Withholding Tax Rate	25%
Net Maturity Value	10,649.12
Security Status	Delivered to client

Security Details:

Security Description	ISIN	Maturity Date	Face	Interest Noted
FR BMI NOTES 2013	GBF00313B220	24/Feb/2013	500,000.00	11,130.00

_____
Authorized Signature
PRUDENT PORTFOLIO MANAGEMENT LTD

_____
Authorized Signature
PRUDENT PORTFOLIO MANAGEMENT LTD

Trial Balance

PRUDENT PORTFOLIO MANAGEMENT LTD

TRIAL BALANCE REPORT AS AT 29/Nov/2010

Report Currency   GL Period Range [28/Nov/2010] TO [29/Nov/2010]
Portfolio   Range   [JOH0000004] TO [JOH0000004] G/L Account Range [01010   ] TO [12000   ]
Batch No.   Range   [B000000006] TO [R000000019] G/L Dept.   Range [0   ] TO [0   ]

		Opening Balance As At 28/Nov/2010	Debit Amount $	Credit Amount $	Net Change	Closing Balance
01010 - 0	BANK	200,000.00	1,950,000.00	-520,000.00	1,430,000.00	1,630,000.00
01055 - 0	CLEARING ACCOUNT	0.00	80,000.00	-80,000.00	0.00	0.00
04057 - 0	WITHHOLDING TAX PAYABLE	- 150.00	0.00	-14,480.00	-14,480.00	-14,630,00
05005 - 0	INVESTORS	- 100,000.00	2,450,000.00	-3,923,520.00	-1473000.00	1,573,000.00
12000 - 0	INTEREST EXPENSE	5,000.00	58,000.00	0.00	58,000.00	63,000.00
GRAND TOTALS			4,538,000.00	-4,538,000.00	0.00	

PRUDENT PORTFOLIO MANAGEMENT LTD
BALANCE SHEETS

NOVEMBER 30, 2009 and 2010

	Nov-2009	Nov-2010	Net Change	
	$	$	Amount	Percentage
ASSETS				
Fixed Assets	800,000.00	3,000,000.00	2,200,000.00	275%
Receivables & Prepayments	500,000.00	450,000.00	-50,000.00	-10%
Loans Receivable	500,000.00	470,000.00	-30,000.00	-6%
Bank & Cash Balances	1,400,000.00	1,200,000.00	-200,000.00	-14%
Taxation Recoverable	600,000.00	700,000.00	100,000.00	17%
Long Term Trading Assets	5,000,000.00	3,000,000.00	2,000,000.00	-40%
Short-Term Trading Assets	4,000,000.00	7,000,000.00	3,000,000.00	75%
Total Assets	**12,800,000.00**	**15,820,000.00**	3,020,000.00	24%
LIABILITIES & SHAREHOLDERS' FUNDS				
Accounts Payable	120,000.00	160,000.00	40,000.00	33%
Long Term Trading Liabilities	-4,800,000.00	-2,400,000.00	2,400,000.00	-50%
Short Term Trading Liabilities	-3,700,000.00	-6,800,000.00	3,100,000.00	84%
Other Liabilities	-19,000.00	-19,000.00	0.00	0%
Deferred Tax	-2,300.00	-2,300.00	0.00	0%
Corporation Tax Payable	-	-	0.00	0%
Total Current Liabilities	**-8,401,300.00**	**-9,061,300.00**	-660,000.00	8%
Long Term Loan	-2,500,000.00	-2,200,000.00	300,000.00	-12%
Total Long Term Liabilities	-2,500,000.00	-2,200,000.00	300,000.00	-12%
Total Liabilities	**10,901,300.00**	**11,261,300.00**	-360,000.00	3%
Share Capital	-	-	-	0%
Fair Value Reserve	-	-	-	0%
Retained Earnings	-1,000,000.00	-2,500,000.00	1,500,000.00	150%
Total Shareholders' Equity	-898,700.00	-2,058,700.00	1,160,000.00	129%
Total Liabilities & Shareholders' Fund	**12,800,000.00**	**15,820,000.00**	3,020,000.00	24%

Approved on behalf of the Board